

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Henry H. Ross & Son, Inc

Mid-Pennsylvania Manufacturing Extension Partnership

The Power of a Focused Strategy: Well-defined Business and Marketing Strategies Drive 52 Percent Growth at Henry H. Ross & Son, Inc.

Client Profile:

Henry H. Ross & Son (HH Ross), founded in 1956, is a custom countertop fabricator serving residential and commercial customers in South Central Pennsylvania and the surrounding areas. The privately owned and operated company, located in Lititz, Pennsylvania, employs 24 people.

Situation:

HH Ross had recently moved to a new location featuring both a new manufacturing facility and expanded showroom. Although sales had grown 18 percent in 2002, they were still below the new, higher breakeven point. Company President Jim Ross wanted to grow the business by a further 30 percent during 2003/2004 and contacted the Mid-Pennsylvania Manufacturing Extension Partnership (MANTEC), a NIST MEP network affiliate, for help.

Solution:

MANTEC's business assessment, called Quick Check, indicated that HH Ross was doing a lot of things right, but brought to light improvement opportunities in both the human resources (HR) area and in strategic business and marketing direction. MANTEC helped HH Ross access a training grant from the state, which was used to bring a major new piece of production equipment on line. MANTEC conducted a detailed assessment of the HR function, which revealed shortcomings as far as best practices in certain areas, and also in regard to regulatory compliance.

MANTEC selected Jon Oliver, a third party consultant, to help HH Ross develop a strategic business direction and marketing focus. Oliver was tasked with a two-stage assignment: 1) to research and develop a sales and marketing strategy that would give HH Ross the best path for meeting its rapid sales growth objective; and 2) upon the company's approval of the recommended sales and marketing strategy, to prepare jointly with HH Ross a strategy implementation plan to achieve the sales growth objective. A brief market research study generated an estimate of market size, growth rate and trends, the degree of competition, and the overall attractiveness of HH Ross's three major markets, retail consumer, residential resale channels, and commercial. An evaluation of HH Ross's strengths and limitations in relation to market needs and the competition provided important two new perspectives about the business: 1) a recommendation that HH Ross continue its "high end" quality positioning strategy in the market; and 2) a recommended sales and marketing strategy that leveraged HH Ross's strengths to achieve the targeted sales growth. This specified on which markets to focus, and the proposed methods of attack for each of the three target markets. HH Ross management enthusiastically agreed to these recommendations. Consultant Oliver worked with HH Ross's staff to create a sales and marketing team for each of the three major markets. These teams then developed an action plan for their respective markets. Each plan listed action responsibilities, schedules and budgets that identified immediate "Quick Hit" action priorities to be implemented within two to three months, medium-term marketing programs for completion during the next four to six months, and

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

longer-term objectives to achieve the agreed strategy for each market.

Oliver and MANTEC worked together to project manage the implementation process, primarily via regular progress meetings. Consultant Oliver also initiated a continuous improvement process to increase profit margins by analyzing the worst margin jobs each month. Generic causes of cost overruns were identified and then systematically addressed by making needed changes in business policies and processes. As a result, gross margins improved by 2.8 percent by the end of the year. HH Ross sales continue to grow. 2005 sales are heading towards another milestone - \$1 million higher than sales in 2003. Overall, a very successful intervention for the client and for MANTEC!

Results:

- * Increased sales by 52 percent, an increase of over \$1 million.
- * Increase in targeted commercial market business.
- * Exceeded sales goal for 2004 in 2003, one year ahead of schedule.
- * Improved gross margins by 2.8 percent.

Testimonial:

"Our business was already doing well, but Oliver has really helped. We now have a clear direction and focus. We've learned new things and are making more progress. He's been a key driver during the implementation process."

Jim Ross, President